



Comptroller General
of the United States

Washington, D.C. 20548

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Decision

Matter of: Blaine Hudson Printing

File: B-247004

Date: April 22, 1992

Frederic G. Antoun, Jr., Esq., for the protester,
Drew Spalding, Esq., Government Printing Office, for the
agency.

Richard P. Burkard, Esq., and John Brosnan, Esq., Office of
the General Counsel, GAO, participated in the preparation of
the decision.

DIGEST

Protest against geographical restriction in solicitation for
printing services limiting bids to firms whose production
facilities are within a 125-mile radius of agency is reason-
able where, in order to ensure print quality of final publi-
cations, agency requires that a government representative
conduct press inspections at the contractor's facility.

DECISION

Blaine Hudson Printing protests the geographical restriction
contained in invitation for bids (IFB) No. 1919-S, issued by
the Government Printing Office (GPO) for the printing and
distribution of magazines published by the Air Force Safety
Agency.

We deny the protest.

The IFB, which was issued on November 14, 1991, sought bids
for the production of two different self-cover, saddle-
stitched magazines, entitled Flying Safety and Road &
Recreation. The IFB estimated that the successful bidder
would be required to produce 12 orders per year of Flying
Safety and 4 per year of Road & Recreation. The IFB stated
that no printing was to be performed "prior to receipt of an
'OK to print'" from the government and provided further that
the "[c]ontractor must notify the Department of the Air
Force at least 24 hours in advance of press time . . . to
enable a representative of the Department of the Air Force
to be at the contractor's place of business, to insure that
all changes marked on the Dylux and color key proofs have
been made and to monitor the press run."

The IFB further provided that "all production facilities used in the manufacture of the product(s) ordered under this contract must be located within a 125-mile radius of Norton AFB, CA 92409." Prior to the issuance of the IFB, pursuant to its regulations, the GPO printing procurement manager approved this geographical restriction based on the need for on-site monitoring of the final printing and the cost of 16 trips to a "distant" printer.

Bid opening was originally scheduled for December 5, 1991, but has been extended six times by amendments. Blaine Hudson filed a protest with the contracting officer by letter dated December 2, 1991, objecting to the geographical restriction. The agency denied the protest by letter dated December 12. The agency's letter explained that the Air Force requires a representative to be present at press runs "to ensure that errors are not present" in the publications and that "the Air Force Safety Agency does not have sufficient funds for travel to press inspections outside of the local area." Blaine Hudson filed a subsequent protest with our Office. Although the agency has not yet held bid opening and has extended the bid opening date to May 3, 1992, it has so far received two bids in addition to one submitted by the protester in response to the IFB.

Blaine Hudson argues that the 125-mile limit set forth in the solicitation unduly restricts competition as it prevents that firm and others not within the designated area from bidding on the contract. The protester argues that a firm more than 125 miles from the Air Force Base may be able to perform the work at a lower cost than a "local" printer, even considering the additional cost the government would have to incur in traveling to a more remote facility for the press inspections. The protester asserts, in this regard, that there are commonly used methods of determining travel cost which are available and which the agency could incorporate into the solicitation in order to broaden competition. The protester concludes that the restriction is merely one of administrative convenience.

An agency may restrict a procurement to offerors within a specified area if the restriction is reasonably necessary for the agency to meet its needs. Canal Claiborne Ltd., B-244211, Sept. 23, 1991, 91-2 CPD ¶ 266. The determination

¹This regulation also provides that restrictions should be incorporated into solicitations only when absolutely necessary. GPO Printing Procurement Regulation, chapter II, section 1.7(f)(2).

of the proper scope of a geographical restriction is a matter of the agency's judgment which we will review in order to assure that it has a reasonable basis, Id.

The primary reason given by the Air Force and adopted by GPO for the geographic restriction is the Air Force's need to maintain quality control through a visual press inspection. It states that on-site monitoring of the final printing process is the only method of ensuring that "mistakes and errors do not find their way into the vital safety publications." The Air Force states further that experience has shown that face-to-face meetings with the printing contractors "can be the only way to resolve problems," and points out that contracting with a local printer presents fewer problems with scheduling.

An additional reason for requiring a local printer is the Air Force's conclusion that it does not have sufficient funds available to travel to a distant printer. Under the contract, the Air Force expects that its personnel will make 16 trips to the printer's facilities and that its representative(s) will spend 1 to 2 days per trip. The Air Force supports its position with an affidavit from the Director of Safety Education, Air Force Safety Agency, which states that expenses incurred in traveling to the protester's facility for each press run for both magazines would constitute over half of its entire travel budget. The Air Force concludes that a remote contractor could not offer sufficient savings to offset these additional financial costs.

Blaine Hudson argues essentially that the Air Force and GPO should have taken a different approach to the procurement. The protester asserts that the IFB could be restructured to factor in the cost of travel in awarding the contract to a nonlocal firm for evaluation purposes by adding the cost the government would incur for travel to the price of that firm's bid. If the firm were still low, according to the protester, it should get the award. Concerning the limited travel funds, the protester suggests that the Air Force could "reprogram"² the funds which were allocated for printing to be used for travel.

The agency agrees that bids could be evaluated in the manner suggested by the protester; nevertheless, it argues that reprogramming funds in these circumstances would create significant practical problems. In this regard, although

²Reprogramming is the use of funds in an appropriation account for purposes other than those contemplated at the time of appropriation, i.e., shifting of funds from one object to another within an appropriation. GAO, Principles of Federal Appropriations Law at 2-25 (2nd Ed. Vol. 1 1991).


temporary duty travel for the Air Force Safety Agency and printing services are both financed from the Air Force's "Operation and Maintenance" account, the funds for these two functions come from different agencies in different major Air Force programs in different locations. The Air Force states that only Air Force Headquarters can move funds between these programs, and that the Air Force carefully screens requests to reprogram funds because of limited reprogramming flexibility and competing requirements.

We find that the geographical restriction reasonably relates to the agency's operational needs for quality assurance and to minimize employee travel. See Anglo Am. Auto Auctions, Inc., B-242538, Apr. 29, 1991, 91-1 CPD ¶ 416. The protester does not dispute the Air Force's explanation that, in order to assure quality through a visual press inspection, it will need to have an agency representative present at the contractor's production facility for each of the sixteen press runs. According to the Air Force, it is only through such an on-site inspection that it can be certain that its publications are error free. Contracting with a distant printer would create difficulties in contract performance which would not be eliminated by inserting an evaluation factor in the IFB, as the protester suggests. For example, the personnel of this relatively small Air Force agency would have less flexibility in scheduling meetings with a distant printer. In this regard, each of the inspection visits is expected to last up to 2 days and the RFP contemplates that an Air Force representative must be able to be at the contractor's place of business on 24 hours notice. In addition, traveling to a remote vendor's facility would increase unproductive travel time during work hours for agency personnel. See Pamela A. Lambert, B-227849, Sept. 28, 1987, 87-2 CPD ¶ 308. Finally, the record shows that contracting with a remote printer would result in a significant expenditure of Air Force travel funds not required by the use of a local printer and would result in some additional administrative burden and uncertainty in the event reprogramming of funds is necessary. Under the circumstances, we find that the agency reasonably determined that the potential benefits of removing the restriction would not outweigh the inefficiency inherent in contracting with a remote vendor and the significant burden that would result from structuring the procurement in the manner suggested by the protester.

Finally, the protester argues that the fact the agency has only received two bids other than its own demonstrates that the geographical restriction is unduly restrictive of competition. Since the agency has not yet held bid opening and in view of the fact that solicitations were mailed to

approximately 42 firms within the restricted area, we have no basis to conclude that the agency will not achieve full and open competition for its requirements.

The protest is denied.


for James F. Hinchman
General Counsel